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TRADE IN TEXTILES AND TEXTILE PRODUCTS

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Agreement Between the
UNITED STATES OF AMERICA
and the REPUBLIC OF CHINA

Effected by Exchange of Notes
Signed at Washington June 8, 1978

and

Amending Agreements

Effected by Exchange of Letters
Signed at Washington July 25 and 28, 1978

And Exchange of Notes
Signed at Washington November 1, 1978

And Exchange of Notes
Signed at Washington December 28, 1978

NOTE BY THE DEPARTMENT OF STATE

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REPUBLIC OF CHINA

Trade in Textiles and Textile Products

Agreement effected by exchange of notes
Signed at Washington June 8, 1978;
Entered into force June 8, 1978;
Effective January 1, 1978.
And amending agreements
Effected by exchange of letters
Signed at Washington July 25 and 28, 1978;
Entered into force July 28, 1978.
And exchange of notes
Signed at Washington November 1, 1978;
Entered into force November 1, 1978.
And exchange of notes
Signed at Washington December 28, 1978;
Entered into force December 28, 1978.

The Secretary of State to the Chinese Ambassador

June 8, 1978

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles (hereinafter referred to as the Arrangement), done at Geneva on December 20, 1973, and extended by protocol opened for signature at Geneva on December 15, 1977.[1]

I have also the honor to refer to discussions between representatives of the Government of the Republic of China and the Government of the United States of America in Washington from November 14 to November 22, 1977, in Taipei from January 23 to January 28, 1978, and in Washington from February 21 to February 24, 1978, concerning exports to the United States of America of cotton, wool and man-made fiber textiles and textile products from the Republic of China. As a result of these discussions, and in conformity with Article 4 of the Arrangement, I have the honor to propose, on behalf of the Government of the United States of America, the following Agreement relating to trade in cotton, wool and man-made fiber textiles and textile products between the Republic of China and the United States of America:

His Excellency

James C. H. Shen,

Chinese Ambassador.

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[1] TIAS 7840, 8939; 25 UST 1001; 29 UST.

1. The term of this Agreement will be the five-year period from January 1, 1978 through December 31, 1982. Each "Agreement Year" shall be a calendar year, with the first Agreement Year commencing on January 1, 1978 and ending on December 31, 1978.

2. Textiles and textile products covered by this Agreement shall be classified in three groups, as follows:

Group	Definition
I	Yarns, fabrics, made-up goods and miscellaneous textile products of cotton and man-made fibers. (Categories 300-320, 360-369, 600-627, 665-669).
II	Apparel of cotton and man-made fibers. (Categories 330-359, 630-659).
III	Wool textiles and textile products. (Categories 400-469).

The determination of whether a textile or textile product is of cotton, wool, or man-made fiber shall be made in accordance with the terms of paragraph 9. The Categories referred to in the above definitions of groups are those summarized in Annex A.

3. (a) The system of Categories and the rates of conversion into square yards equivalent listed in Annex A shall apply in implementing this Agreement except as set out in subparagraph 3 (b).

(b) For purposes of this Agreement, and in recognition of the patterns of trade of the Republic of China with the United States of America, the groups of Categories below are merged and treated as single Categories and Subcategories as indicated, with Specific Limits for Categories and Sub-limits for Subcategories

as set out in Annex B, except that for the purpose of calculating permissible adjustments in the first agreement year under paragraphs 7 and 8, and of establishing limits for subsequent agreement years, the Specific Limit for man-made fiber sweaters (merged category 645/646) for the first agreement year shall be deemed to be 4,027,573 dozens:

Categories Merged	Designation in Agreement	Subcategories
333, 334, 335	333/334/335	333/334; 335
338, 339	338/339	None
347, 348	347/348	347; 348
445, 446	445/446	None
633, 634, 635	633/634/635	633/634; 635
643, 644	643/644	643; 644
645, 646	645/646	None

For purposes of computing charges to Aggregate, Group and Specific Limits and Sub-limits for the Categories and Subcategories cited above, rates of conversion for individual Categories set out in Annex A shall be applied, except that the rate of conversion for Subcategory 333/334 will be 39.5 square yards equivalent per dozen and that the rate of conversion for Subcategory 633/634 will be 40.6 square yards equivalent per dozen.

4. Commencing with the first Agreement Year, and during the subsequent term of this Agreement, the Government of the Republic of China shall limit annual exports from the Republic of China to the United States of America of cotton, wool, and man-made fiber textiles and textile products to the Aggregate

Group and Specific Limits and Sub-limits set out in Annex B, as such Limits may be adjusted in accordance with paragraphs 6, 7, and 8. The limits set out in Annex B do not include any adjustments permitted under paragraphs 6, 7, or 8.

5. (a) Categories not subject to Specific Limits are subject to Consultation Levels and to the Aggregate and applicable Group Limits. Except as specified in Annex C, Consultation Levels for each Agreement Year for Categories not subject to a Specific Limit shall be 1,000,000 square yards equivalent for Categories in Group I, 700,000 square yards equivalent for Categories in Group II, and 100,000 square yards equivalent for Categories in Group III.

(b) In the event the Government of the Republic of China wishes to permit exports to the United States in any category in excess of the applicable consultation level during any agreement year, the Government of the Republic of China shall request consultations with the Government of the United States of America on this question and the Government of the United States of America shall enter into such consultations. Until agreement on a different level of exports is reached, the Government of the Republic of China shall limit exports to the United States in the category in question to the applicable consultation level.

6. During any Agreement Year, and within the Aggregate Limit for such Agreement Year, the Group Limits set out in Annex B applicable to such Agreement Year may be exceeded by not more than 15 percent in the case of Group I, by not more than 7 percent in the case of Group II, and by not more than

3 percent in the case of Group III. Adjustments made pursuant to this paragraph are in addition to those pursuant to paragraph 8.

7. (a) During any Agreement Year, and within the Aggregate and applicable Group Limits for such Agreement Year, as they may be adjusted pursuant to paragraphs 6 and 8, any Specific Limit or Sub-limit set out in Annex B may be exceeded by not more than:

10 percent if included in Group I,

6 percent if applicable to Group II Categories or Subcategories 340, 341, 633/634/635, 633/634, 635, 639, 640, 643/644, 643, 644, 645/646, 647 or 648,

7 percent if applicable to any other Group II Categories,

5 percent if included in Group III.

(b) During any Agreement Year, and within the Aggregate and applicable Group Limits for such Agreement Year, as they may be adjusted pursuant to paragraphs 6 and 8, the limit for Category 638 may be exceeded by up to ten percent in addition to the adjustment pursuant to subparagraph 7(a), so long as an equivalent quantity is deducted in the same Agreement Year from the Limit for Category 639. Adjustments made pursuant to this paragraph 7 are in addition to those pursuant to paragraph 8.

8. (a) In any Agreement Year, in addition to any adjustment pursuant to paragraphs 6 and 7, exports may exceed by a maximum of 11 percent the Aggregate Limit and any Group or Specific Limit or Sub-limit by allocating to such Limit for that Agreement Year an unused portion of the corresponding Limit for the previous Agreement

Year ("Carryover") or a portion of the corresponding Limit for the succeeding Agreement Year ("Carry Forward") subject to the following conditions:

(i) Carryover may be utilized as available up to 11 percent of the receiving Agreement Year's applicable Limits, provided, however, that no Carryover shall be available for application during the first Agreement Year;

(ii) The combination of Carryover and Carry Forward shall not exceed 11 percent of the receiving Agreement Year's applicable Limit in any Agreement Year;

(iii) Carry Forward may be utilized up to 7.15 percent of the receiving Agreement Year's applicable Limit and shall be charged against the immediately following Agreement Year's corresponding Limits;

(iv) Carryover of Shortfall (as defined in Subparagraph 8(b)) shall not be applied to any Specific Limits until the Governments of the Republic of China and the United States of America have agreed upon the amounts involved.

(b) For purposes of this Agreement, a Shortfall occurs when exports of textiles or textile products of the Republic of China to the United States of America during an Agreement Year are below the Aggregate Limit and any applicable Group Limit, Specific Limit or Sub-limit. In the Agreement Year following the Shortfall, such exports from the Republic of China to the United States of America may be permitted to exceed the Aggregate, Group, and Specific Limits and Sub-limits, subject to conditions of subparagraph 8(a), by Carryover of Shortfalls in the following manner:

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(i) The Carryover shall not exceed the amount of Shortfall in either the Aggregate Limit or any applicable Group or Specific Limit or Sub-limit;

(ii) In the case of Shortfall in a Category or Sub-category subject to a Specific Limit or Sub-limit, the Shortfall shall be used in the Category or Sub-category in which the Shortfall occurred; and

(iii) In the case of Shortfalls not attributable to Categories or Sub-categories subject to Specific Limits or Sub-limits, the Carryover shall be used in the same Group in which the Shortfall occurred.

(c) The Limits referred to in Sub-paragraph 8(a) and (b) are without any adjustment under this paragraph or paragraphs 6 or 7.

(d) The total adjustment under this paragraph shall be in addition to adjustments to the Limits permitted by paragraphs 6 and 7.

(e) The total adjustment permissible under this paragraph for the first Agreement Year shall be 7.15 percent, consisting solely of carry forward.

9. (a) Tops, yarns, piece goods, made-up articles, garments and other textile manufactured products, all being products which derive their chief characteristics from their textile components, of cotton, wool, or man-made fibers, or blends thereof, in which any or all of those fibers represent either the chief value of the fibers or 50 percent or more by weight (or 17 percent or more by weight of wool) of the product, are subject to this Agreement.

(b) For the purposes of this Agreement, textile products shall be classified as cotton, wool or man-made fiber textiles if wholly or in chief value of any of these fibers. Any products covered by sub-paragraph 9(a) but not in chief value of cotton, wool or man-made fiber shall be classified as:

(i) Cotton textiles if containing 50 percent or more by weight of cotton, or if the cotton component exceeds by weight the wool and/or the man-made fiber component;

(ii) Wool textiles if not cotton, and wool equals or exceeds 17 percent by weight of all component fibers; and

(iii) Man-made fiber textiles if neither of the foregoing applies.

10. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this Agreement, including differences in points of procedure or operation.

11. (a) The Government of the United States of America shall promptly supply the Government of the Republic of China with data on monthly imports of cotton, man-made fiber and wool textiles and textile products into the United States of America from the Republic of China.

(b) The Government of the Republic of China shall promptly supply the Government of the United States of America with data on monthly exports of cotton, man-made fiber and wool textiles and textile products from the Republic of China to the United States of America.

(c) Each Government agrees to supply promptly any other available statistical data necessary to the implementation of this Agreement requested by the other Government.

12. The Government of the Republic of China shall use its best efforts to space exports from the Republic of China to the United States of America within each Category or Sub-category evenly throughout each Agreement Year, taking into consideration normal seasonal factors.

13. If the Government of the Republic of China considers that, as a result of limitations specified in this Agreement, it is being placed in an inequitable position in relation to a third country, the Government of the Republic of China may request consultations with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of this Agreement.

14. For the duration of this Agreement, the Government of the United States of America shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the export of cotton, wool and man-made fiber textiles and textile products from the Republic of China to the United States. Each Government reserves its rights under the Arrangement with respect to textiles and textile products not subject to this Agreement.

15. The Government of the Republic of China shall administer its export control system under this Agreement. The Government of the United States of America may assist the Government of the Republic of China in implementing the limitation provisions of this Agreement by controlling imports of textiles and textile products covered by

this Agreement.

16. In conformity with Article 12, paragraph (3) of the Arrangement, this Agreement shall not apply to exports of handloom fabrics of the cottage industry of the Republic of China, or handmade cottage industry products made of such handloom fabrics in the Republic of China, or to folklore handicraft textile products traditional to the Republic of China, provided that such products are properly certified under arrangements established between the two Governments pursuant to paragraphs 10 or 18.

17. Exports of cotton, wool and man-made fiber textiles and textile products in shipments individually valued at less than $250.00 shall not be charged to the Limits of this Agreement provided that such are properly certified.

18. The visa and certification system established by letters dated August 16, 1972, September 20, 1972, and March 22, 1973, between the Government of the United States of America and the Government of the Republic of China will remain in force subject to paragraph 10.

19. During the first Agreement Year, each Government shall maintain records on imports or exports, as appropriate, of cotton suits, the component parts of which were charged to two or more of Categories 333, 334, 335, 342, 347, and 348. The Government of the United States of America will inform the Government of the Republic of China prior to the end of the first Agreement Year whether or not separate male and female cotton suit categories will be established for 1979. If the Government of the United States of America establishes cotton suit

categories, the Government of the Republic of China agrees to consult promptly with the Government of the United States of America for the purpose of establishing levels for these categories.

20. (a) The Government of the United States of America and the Government of the Republic of China agree to consult, upon the request of either Government, on any question arising in the implementation of this Agreement.

(b) The Government of the Republic of China agrees to consult with the Government of the United States of America if the trade patterns in any of the Merged Categories change significantly. Changes in trade patterns within Subcategories include changes regarding knit and woven construction. Both Governments will consider sympathetically any proposals concerning the mergers made during consultations for subsequent agreement years.

(c) The two Governments agree to undertake a major review of this Agreement within six months after the end of the second Agreement Year.

21. The Government of the United States of America and the Government of the Republic of China may at any time propose revisions in the terms of this Agreement. Each Government agrees to consult promptly with the other Government about such proposals with a view to making such revisions to this Agreement, or taking such other appropriate action as may be mutually agreed upon.

22. Either Government may terminate this Agreement, effective at the end of an Agreement Year, by written

notice to the other Government, to be given at least 90 days prior to the end of such Agreement Year.

If the foregoing conforms with the understanding of the Government of the Republic of China this note and Your Excellency's note of confirmation on behalf of the Government of the Republic of China shall constitute an Agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

Robert Hormats

ANNEX A

Category	Description	Conversion Factor	Unit of Measure
	YARN		
	-- Cotton		
300	Carded	4.6	Lb.
301	Combed	4.6	Lb.
	-- Wool		
400	Tops and yarn	2.0	Lb.
	-- Man-made fiber		
600	Textured	3.5	Lb.
601	Cont. cellulosic	5.2	Lb.
602	Cont. noncellulosic	11.6	Lb.
603	Spun cellulosic	3.4	Lb.
604	Spun noncellulosic	4.1	Lb.
605	Other yarns	3.5	Lb.
	FABRIC		
	-- Cotton		
310	Ginghams	1.0	SYD
311	Velveteens	1.0	SYD
312	Corduroy	1.0	SYD
313	Sheeting	1.0	SYD
314	Broadcloth	1.0	SYD
315	Printcloths	1.0	SYD
316	Shirtings	1.0	SYD
317	Twills and Sateens	1.0	SYD
318	Yarn-dyed	1.0	SYD
319	Duck	1.0	SYD
320	Other fabrics, n.k.	1.0	SYD
	-- Wool		
410	Woolens and worsted	1.0	SYD

411	Tapestries and upholstery	1.0	SYD
425	Knit	2.0	Lb.
429	Other Fabrics	1.0	SYD
-- Man-made fiber			
610	Cont. cellulosic, n.k.	1.0	SYD
611	Spun cellulosic, n.k.	1.0	SYD
612	Cont. noncellulosic, n.k.	1.0	SYD
613	Spun noncellulosic, n.k.	1.0	SYD
614	Other fabrics, n.k.	1.0	SYD
625	Knit	7.8	Lb.
626	Pile and tufted	1.0	SYD
627	Specialty	7.8	Lb.
APPAREL			
-- Cotton			
330	Handkerchiefs	1.7	Dz.
331	Gloves	3.5	DPR
332	Hosiery	4.6	DPR
333	Suit-type coats, M and B	36.2	Dz.
334	Other coats, M and B	41.3	Dz.
335	Coats, W, G and I	41.3	Dz.
336	Dresses (inc. uniforms)	45.3	Dz.
337	Playsuits, sunsuits, washsuits, creepers	25.0	Dz.
338	Knit shirts, (inc. T-shirts, other and sweatshirts) M and B	7.2	Dz.
339	Knit shirts and blouses (inc. T-shirts, other & sweatshirts) W, G and I	7.2	Dz.

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340	Shirts, n.k.	24.0	Dz.
341	Blouses, n.k.	14.5	Dz.
342	Skirts	17.8	Dz.
345	Sweaters	36.8	Dz.
347	Trousers, slacks, and shorts (outer) M and B	17.8	Dz.
348	Trousers, slacks and shorts (outer) W, G and I	17.8	Dz.
349	Brassieres, etc.	4.8	Dz.
350	Dressing gowns, inc. bathrobes, and beach robes, lounging gowns house coats, and dusters	51.0	Dz.
351	Pajamas and other nightwear	52.0	Dz.
352	Underwear (inc. union suits)	11.0	Dz.
359	Other apparel	4.6	Lb.
-- Wool			
431	Gloves	2.1	DPR
432	Hosiery	2.8	DPR
433	Suit-type coats, M and B	3.0	No.
434	Other coats, M and B	4.5	No.
435	Coats, W, G and I	4.5	No.
436	Dresses	4.1	No.
438	Knit shirts and blouses	15.0	Dz.
440	Shirts and blouses, n.k.	24.0	Dz.
442	Skirts	1.5	No.

443	Suits, M and B	4.5	No.
444	Suits, W, G and I	4.5	No.
445	Sweaters, M and B	14.88	Dz.
446	Sweaters, W, G and I	14.88	Dz.
447	Trousers, slacks, and shorts (outer) M and B	1.5	No.
448	Trousers, slacks and shorts (outer) W, G and I	1.5	No.
459	Other wool apparel	2.0	Lb.
	-- Man-made fiber		
630	Handkerchiefs	1.7	Dz.
631	Gloves	3.5	DPR
632	Hosiery	4.6	DPR
633	Suit-type coats, M and B	36.2	Dz.
634	Other coats, M and B	41.3	Dz.
635	Coats, W, G and I	41.3	Dz.
636	Dresses	45.3	Dz.
637	Playsuits, sunsuits, washsuits, etc.	21.3	Dz.
638	Knit shirts, (inc. T-shirts), M and B	18.0	Dz.
639	Knit shirts and blouses (inc. T-shirts), W, G and I	15.0	Dz.
640	Shirts, n.k.	24.0	Dz.
641	Blouses, n.k.	14.5	Dz.
642	Skirts	17.8	Dz.
643	Suits, M and B	4.5	No.
644	Suits, W, G and I	4.5	No.

645	Sweaters, M and B	36.8	Dz.
646	Sweaters W, G and I	36.8	Dz.
647	Trousers, slacks, and shorts (outer), M and B	17.8	Dz.
648	Trousers, slacks and shorts (outer), W, G and I	17.8	Dz.
649	Brassieres, Etc.	4.8	Dz.
650	Dressing gowns, inc. bath and beach robes	51.0	Dz.
651	Pajamas and other nightwear	52.0	Dz.
652	Underwear	16.0	Dz.
659	Other apparel	7.8	Lb.
	MADE-UPS AND MISC.		
	-- Cotton		
360	Pillowcases	1.1	No.
361	Sheets	6.2	No.
362	Bedspreads and quilts	6.9	No.
363	Terry and other pile towels	0.5	No.
369	Other cotton manufactures	4.6	Lb.
	-- Wool		
464	Blankets and auto robes	1.3	Lb.
465	Floor covering	0.1	SFT
469	Other wool manufactures	2.0	Lb.
	-- Man-made fiber		
665	Floor coverings	0.1	SFT
666	Other furnishings	7.8	Lb.
669	Other man-made manufactures	7.8	Lb.

ANNEX B

AGGREGATE, GROUP, SPECIFIC LIMITS AND SUB-LIMITS

Category	Description	Units	1st Year	2nd Year	3rd Year	4th Year	5th Year
Aggregate		SYE	758,944,836	804,481,526	852,750,418	903,915,443	958,150,369
Group I		SYE	165,867,488	175,874,557	186,482,599	197,727,680	209,648,026
313	Sheeting	Syd.	38,815,413	41,144,338	43,612,998	46,229,778	49,003,565
Group II		SYE	589,075,642	623,555,246	661,165,579	701,034,500	743,297,548
333/4/5	Coats	Doz.	89,547	94,920	100,615	106,652	113,051
333/4	M&B Coats	Doz.	46,897	49,711	52,693	55,855	59,206
335	WG&I Coats	Doz.	56,082	59,447	63,014	66,795	70,802
338/9	Knit shirts & blouses	Doz.	436,558	462,751	490,517	519,948	551,144
340	Woven shirts	Doz.	583,998	601,518	619,563	638,150	657,295
341	Woven blouses	Doz.	338,293	348,442	358,895	369,662	380,752
347/8	Slacks	Doz.	740,892	785,346	832,466	882,414	935,359
347	M&B	Doz.	363,876	385,709	408,851	433,382	459,385
348	WG&I	Doz.	562,239	595,973	631,732	669,636	709,814
633/4/5	Coats	Doz.	1,286,289	1,324,878	1,377,873	1,432,988	1,490,308
633/4	M&B	Doz.	848,329	873,779	908,730	945,079	982,883
635	WG&I	Doz.	630,904	649,831	675,824	702,857	730,971
638	M&B Knit shirts	Doz.	1,352,206	1,433,338	1,519,339	1,610,499	1,707,129
639	WG&I Knit shirts & blouses	Doz.	5,033,179	5,033,179	5,033,179	5,033,179	5,033,179
Group II							
640	Woven shirts	Doz.	2,919,380	3,006,961	3,097,170	3,190,085	3,285,788
641	Woven blouses	Doz.	584,997	620,097	657,303	696,741	738,545

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ANNEX B

643/4 Suits	No.	1,546,451	1,592,845	1,640,630	1,689,849	1,740,544
643 M&B	No.	817,685	842,216	867,482	893,506	920,312
644 WG&I	No.	883,411	909,913	937,211	965,327	994,287
645/6 Sweaters	Doz.	3,785,919	--Subject to consultation prior to applicable agreement year--			
647 M&B Slacks	Doz.	1,711,202	1,762,538	1,815,414	1,869,877	1,925,973
648 WG&I Slacks	Doz.	2,882,549	2,940,200	2,999,004	3,058,984	3,120,164
Group III	SYE	5,001,706	5,051,723	5,102,240	5,153,263	5,204,795
434 M&B Other Coats	No.	355,556	359,112	362,703	366,330	369,993
440 Woven shirts	Doz.	12,924	13,053	13,184	13,316	13,449
445/6 Sweaters	Doz.	121,356	122,570	123,795	125,033	126,284

ANNEX C

Designated Consultation Levels (In Square Yards Equivalent)

Category	Description	Level
310	Gingham	1,500,000
314	Poplin & Broadcloth	1,500,000
315	Printcloth	2,099,995
317	Twill and sateen	4,165,065
318	Yarn-dyed, n.e.s	4,000,000
319	Duck	2,100,000
320	Other fabric	18,000,000
331	Gloves	1,500,000
336	Dresses	1,150,000
337	Playsuits	2,000,000
345	Sweaters	1,150,000
350	Dressing gowns	1,600,000
351	Nightwear	4,500,000
352	Underwear	1,250,000
359	Other apparel	4,500,000
360	Pillowcases	2,000,000
361	Sheets	2,000,000
363	Terry & other pile towels	1,500,000
369	Other manufactures	4,500,000
400	Tops & Yarn	250,000
410	Woolen and worsted fabric	800,000
435	WG&I coats	520,000
438	Knit shirts & blouses	250,000
448	WG&I slacks	200,000
459	Other apparel	2,000,000
600	Textured yarn	30,000,000
605	Other yarn	1,500,000
610	Woven fabric of continuous cellulosic yarn	1,500,000
612	Woven fabric of continuous non-cellulosic yarn	1,500,000
613	Woven fabric of spun non-cellulosic yarn	3,800,000
614	Other woven fabrics	3,000,000
614sub.	Impression fabric	100,000
625	Knit fabric	6,000,000
627	Specialty fabric	67,370,308
627sub.	Impression fabric	100,000
631	Gloves	7,382,500
632	Hosiery	2,000,000
636	Dresses	14,000,000
637	Playsuits	3,000,000
642	Skirts	2,250,000
650	Dressing gowns	2,000,000
651	Nightwear	15,000,000
652	Underwear	1,800,000
659	Other apparel	52,000,000
659sub.	Knit headwear	900,000
666	Other furnishings	14,000,000
669	Other manufactures	10,000,000
669sub.	Fish netting	635,000

The Chinese Ambassador to the Secretary of State

June 8, 1978.

Excellency:

I have the honor to acknowledge receipt of Your Excellency's note of today's date, containing a proposed agreement on the exports of cotton, wool, and man-made fiber textiles from the Republic of China to the United States of America, to replace and supersede, effective January 1, 1978, the existing Cotton Textile and Wool and Man-Made Fiber Textile Agreements signed on May 21, 1975, as amended.[1]

I wish to confirm, pursuant to instructions, that the Government of the Republic of China accepts the proposed agreement contained in your note mentioned above and agrees that your note and this note of confirmation shall constitute an Agreement between our two Governmnets.

I renew to Your Excellency the assurances of my highest consideration.

James C. H. Shen
Ambassador of the
Republic of China

The Honorable Cyrus R. Vance
Secretary of State
Department of State
Washington, D. C.

[1] TIAS 8033, 8218, 8636, 8894; 26 UST 281, 3858; 28 UST 5338; 29 UST.

The Chinese Economic Counselor to the Department of State Textiles Division

EMBASSY OF THE REPUBLIC OF CHINA
OFFICE OF ECONOMIC COUNSELOR
4301 CONNECTICUT AVE., N.W., SUITE 420
WASHINGTON, D. C. 20008

REFERENCE No. 671148

CABLE ADDRESS: SINOECON
TELEPHONE: (202) 686-6400
TELEX: 440292

July 25, 1978

Mrs. Ann Berry
Textile Division
Room 3333
Department of State
Washington, D. C. 20520

Dear Ann:

I have been requested by authorities in my Government to request the favorable consideration of the Government of the United States to raise the designated consultation level of Category 315 - Printcloth from 2,099,995 square yards,as specified in Annex C of the Agreement between our two Governments dated June 8, 1978, to that of 4,600,000 square yards.

The reason for the above increase is because there is a possible overshipment, the exact amount is to be determined during consultation in Taipei next week, thus might cause the restraint ceiling to be reached long before the desirable date.

Your favorable consideration to the above request will be very much appreciated.

With best personal regards.

Sincerely yours,

T. W. Hu
Economic Counselor

cc: Mr. Arthur Garel, USDC
BOFT/Taipei

The Deputy Assistant Secretary of State for Economic and Business Affairs to the Chinese Economic Counselor

July 28, 1978

Mr. T. W. Hu
Economic Counselor
Embassy of the Republic of China
Office of Economic Counselor
4301 Connecticut Ave. N.W.
Suite 420
Washington, D.C. 20520

Dear Mr. Hu:

I refer to your letter of July 25, 1978 to Mrs. Ann Berry proposing that the designated consultation level for category 315 (print cloth) be changed to 4,600,000 square yards under the terms of our bilateral textile agreement. My Government agrees to your proposal as set out in your letter.

Sincerely,

Robert Hormats

Robert Hormats
Deputy Assistant Secretary
for Economic and Business Affairs

The Secretary of State to the Chinese Ambassador

November 1, 1978

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, with Annexes (hereinafter referred to as the Arrangement), done at Geneva on December 20, 1973, and extended by protocol done at Geneva on December 14, 1977, and to the agreement of June 8, 1978 (the "Agreement"), between the Government of the Republic of China and the Government of the United States of America, concerning trade in cotton, wool and man-made fiber textiles and textile products.

I have also the honor to refer to discussions between representatives of the Government of the Republic of China and the Government of the United States of America in Taipei from July 31 through August 4, 1978, concerning exports to the United States of America of cotton, wool and man-made fiber textiles and textile products from the Republic of China. As a result of these discussions, I have the honor to propose, on behalf of the Government of the United States of America, that the Agreement be amended as follows:

1. Category 331, Cotton Gloves and Mittens, shall be subject to a Specific Limit. Annex B of the Agreement is amended by the insertion of the following Category, Description, Units and Specific Limits immediately following the heading "Group II":

His Excellency
James C. H. Shen,
Chinese Ambassador.

"Category	Units Dozen Pair
331 Cotton Gloves and Mittens	
1st year	428,571
2nd year	441,428
3rd year	454,671
4th year	468,311
5th year	482,360".

Subparagraph 7(a) of the Agreement is amended by inclusion of Category 331 in the group of Categories which may be exceeded by not more than 6 percent.

2. Annex B of the Agreement is further amended to provide that the Specific Limit for the second Agreement Year for Category 645/646, MMF Sweaters, shall be 3,785,919 dozens. During the second Agreement Year, the Specific Limit for Category 645/646 may be exceeded, pursuant to paragraph 7 of the Agreement, by 3 percent, and pursuant to the Carry Forward provisions of paragraph 8 of the Agreement, by 5.65 percent; all other provisions of paragraphs 7 and 8 of the Agreement remain unchanged by this paragraph. Computation of adjustments pursuant to this paragraph and paragraphs 7 and 8 of the Agreement shall be based on a Specific Limit of 4,027,573 dozens for Category 645/646 for the Second Agreement Year.

3. Annex B of the Agreement is amended to provide that the Specific Limit for Category 639, MMF Knit Shirts and Blouses, WG&I, for the first Agreement Year shall be 4,605,431 dozens.

4. During the first Agreement Year, the maximum permissible level of exports to the United States of America for Category 638, MMF Knit Shirts, M&B, shall be 1,900,000 dozen, including (a) all adjustments to the Specific Limit for Category 638 permitted under the Agreement, and (b) charges of 31,760 dozens for shipments of Mens and Boys MMF Knit Shirts during 1977.

5. Pursuant to Paragraph 5 of the Agreement, the Government of the United States of America agrees that exports in the following categories may exceed the Consultation Levels stated in the Agreement by the following amounts during the first Agreement Year.

Category	Amount in Excess of Stated Consultation Level (SYE)
317 Twill and Sateen	2,834,935
320 Other Fabric	2,000,000
659 Other Apparel	2,600,000
669 Sub, Fish Netting	145,000

The Consultation Levels for Subcategory 669 Sub, Fish Netting, for the second and succeeding Agreement Years shall be established during consultations prior to the end of the first Agreement Year.

If the foregoing conforms with the understanding of the Government of the Republic of China, this note and Your Excellency's note of confirmation on behalf of the Government of the Republic of China shall constitute an amendment to the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

William Barraclough

The Chinese Ambassador to the Secretary of State

Embassy of the Republic of China
2311 Massachusetts Avenue, N.W.
Washington, D.C. 20008

November 1, 1978

Excellency:

I have the honor to acknowledge receipt of Your Excellency's note of today's date, containing a proposed amendment to the agreement on the exports of cotton, wool, and man-made fiber textiles from the Republic of China to the United States of America, signed June 8, 1978 between our two Governments.

I wish to confirm, pursuant to instructions, that the Government of the Republic of China accepts the proposed amendment as contained in your note mentioned above and agrees that your note and this note of confirmation shall constitute a part of the Agreement between our two Governments.

I renew to Your Excellency the assurances of my highest consideration.

James C. H. Shen
Ambassador of the
Republic of China

The Honorable Cyrus R. Vance
Secretary of State
Department of State
Washington, D. C.

The Secretary of State to the Chinese Ambassador

December 28, 1978

Excellency:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, with Annexes (hereinafter referred to as the Arrangement), done at Geneva on December 20, 1973, and extended by protocol done at Geneva on December 14, 1977, and to the agreement of June 8, 1978 with Annexes, as amended (the "Agreement"), between the Government of the Republic of China and the Government of the United States of America, concerning trade in cotton, wool and man-made fiber textiles and textile products.

I have also the honor to refer to discussions between representatives of the Government of the Republic of China and the Government of the United States of America in Washington November 6 and 7, 1978, concerning exports to the United States of America of cotton, wool and man-made fiber textiles and textile products from the Republic of China. As a result of these discussions, I have the honor to propose, on behalf of the Government of the United States of America, that the Agreement be amended as follows:

1. Pursuant to paragraph 5 of the Agreement, the Government of the United States of America agrees that exports in the following Categories may exceed the consultation levels stated in Annex C or paragraph 5 of the Agreement by the following amounts during the first Agreement Year:

His Excellency

James C. H. Shen,

Chinese Ambassador.

Category	Amount in Excess of Stated Consultation Level (SYE)
369	1,125,000
602	1,000,000
669	5,000,000

2. Pursuant to paragraph 5 of the Agreement, the Government of the United States of America agrees that exports in the following Categories may exceed the consultation levels stated in Annex C or paragraph 5 of the Agreement by the following amounts during the second Agreement Year:

Category	Amount in Excess Of Stated Consultation Level (SYE)
315	2,500,005
317	2,834,935
318	1,000,000
320	7,000,000
669 sub	151,248
336	287,500
337	500,000
350	400,000
351	700,000
636	2,000,000
637	300,000
642	562,500
650	500,000
652	450,000
659	16,250,000
442	50,000
459	500,000

If the foregoing conforms with the understanding of the Government of the Republic of China, this note and Your Excellency's note of confirmation on behalf of the Government of the Republic of China shall constitute an amendment to the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

William Barraclough

The Chinese Ambassador to the Secretary of State

Embassy of the Republic of China
2311 Massachusetts Avenue, N.W.
Washington, D.C. 20008

December 28, 1978

Excellency:

I have the honor to acknowledge receipt of Your Excellency's note of today's date, containing a proposed amendment to the agreement on the exports of cotton, wool, and man-made fiber textiles from the Republic of China to the United States of America, signed June 8, 1978 between our two Governments.

I wish to confirm, pursuant to instructions, that the Government of the Republic of China accepts the proposed amendment as contained in your note mentioned above and agrees that your note and this note of confirmation shall constitute a part of the Agreement between our two Governments.

I renew to Your Excellency the assurances of my highest consideration.

James C.H. Shen
Ambassador of the
Republic of China

The Honorable
Cyrus R. Vance
Secretary of State

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